

**ADDENDUM TO FINAL STATEMENT OF REASONS
REGARDING
REGULATIONS GOVERNING THE FEES ASSESSED FOR ITS MOBILEHOME
AND SPECIAL OCCUPANCY PARKS, MANUFACTURED HOUSING,
FACTORY-BUILT HOUSING, OCCUPATIONAL LICENSING, AND EMPLOYEE
HOUSING PROGRAMS
CALIFORNIA CODE OF REGULATIONS TITLE 25, DIVISION I,
CHAPTERS 2, 2.2, 3, 4, and 5.5**

The following comments and responses augment the summary and response comment chart within the Final Statement of Reasons found at Tab I. To provide clarity and consistency for the reader, the entire comment may be repeated from the summary and response comment chart.

The "Addendum to the Initial Statement of Reasons" listed in the Table of Contents as item G.2. was mis-captioned it is in actuality a summary and response to comments. The information in this document is now located beginning on page 5 of this addendum in order to clearly provide a response to comments received regarding Section 3060(f)(2).

COMMENT PERIOD FROM JUNE 17, 2005 TO AUGUST 3, 2005
ORIGINALLY-PROPOSED REGULATIONS

Addendum to Response to Comments

Commenter #WC-EH-3, Carol Cudia, Ranch Manager, HMS Ranches

WRITTEN COMMENTS FROM COMMENTER #WC-EH-3

COMMENT: "Section 645": Housing employees is a very costly to the Ag employer, which has increased tremendously over the past few years especially due to increased costs of utilities and insurance. Ag employers receive little if any benefits by housing their employees and with the increase in costs will discontinue housing. Employees cannot locate, qualify, or afford housing in the rural communities conveniently located to their jobs with the rising cost of housing. The employees cannot afford the cost of transportation to and from work and in most cases public transportation is not available to transport them to the rural areas. As permits and many other Ag requirements change the end result is an increased cost to the employer. As costs continue to increase many farmers will give up and the end result will be no employees, no housing, and no agriculture in California.

The housing inspections currently required to obtain permits to operate a housing labor camp are extremely beneficial as they keep us aware of the problems in the homes provided to the employees, and we must complete recommendations, etc. to satisfy the county that we are providing safe sanitary housing. Without these permits, many employees reside in unsafe, unsanitary housing. Some

employers will bypass new laws and increases by not obtaining permits, etc. which will also result in poor unsafe housing.

Please do not make permits so costly that the cost will end up in the laps of the employees and allow employers to provide housing not regulated by county standards. Allow us to continue our efforts of providing our agriculture employees the convenience of a home while working so hard for us and producing a California grown product.

RESPONSE: Section 645 relates to “technical services” which are services specifically requested by the regulated public and are not a part of the inspection process nor are they mandatory services required to obtain a permit. Rather, this fee would be assessed for providing technical expertise only upon public request and therefore does not increase the cost of a permit.

New Commenter #PH-EH-4, Anne Frey, Sacramento County Environmental Health

NEW WRITTEN COMMENTS FROM COMMENTER #PH-EH-4

COMMENT: “Sections 644 and 645”: I am the representative from Sacramento County Environmental Health and I just want to say that we too have been operating at a deficit, and although our department supports the fee raises, the ranchers are in great opposition to it. They couldn’t be here today because they are in the midst of packing. And I did want to note as well that the mailing list did not go to the ranchers, only to me, so I did notify them and they just weren’t able to make it. But they did let me know, and I think they have faxed a few responses in that they are in opposition. They have a lot of regulation and, you know, I think our department is a little bit worried about the deficit. We are solely fee operated and we don’t have any general fund money, and if we don’t get the extra money, the department may end up giving the program back to the state which I don’t want to see happen.

RESPONSE: This commenter indicates Sacramento County’s need to increase these fees in order to maintain its programs. HCD notes this comment and agrees with it. The commenter also states that the ranchers she spoke to or from whom she received e-mails were in opposition to the fee increases. Because these fees are based on the actual costs of maintaining certain elements of the Employee Housing Program, they will not be amended in response to the comments of the ranchers as stated by Ms. Frey.

Ms. Frey also stated that the ranchers did not receive notification of the changes. HCD made diligent efforts to ensure all interested parties were notified of these changes by sending the original notice to over 7,600 interested parties for Employee Housing Program regulation changes, including the ranchers. HCD will continue to update mailing information changes as it receives them from interested parties, and will continue to solicit annual updates from all interested parties it maintains in its data base, to ensure its information is accurate.

Commenter WC-FBH-1, Roberto Lizardi, General Manager, Admiral Sunrooms, Inc.

(Note: HCD has prepared a detailed response to all FBH 3060(f)(2) comments beginning with "WC-FBH-1 and ending with "WC-FBH-5. The response follows the last comment listed for this section.)

WRITTEN COMMENTS FROM COMMENTER #WC-FBH-1

COMMENT: "Section 3060(f)(2)": In opposition to Factory-Built Housing fee increases. The fee increase will directly or indirectly have an impact by passing costs on to dealers, which then impacts the customer. While they have increased their fees over the past 20 years, they believe their fees have not been increased as much as HCD. While the proposed insignia fee does not seem high, a typical job uses several components.

Commenter WC-FBH-2, Gerald Cochran, No affiliation noted

WRITTEN COMMENTS FROM COMMENTER #WC-FBH-2

COMMENT: "Section 3060(f)(2)": If I read your justification study right the following is true:

Cashiering = (60 min x .03) = 1.8 min per label
Cashier Audit = (60 min x .01) = .6 min per label
Application = (60 min x .04) = 2.4 min per label
Supervision = (60 min x .03) = 1.8 min per label

Total time required per label = 6.6 min. therefore my order for 5000 labels requires 550 hours of labor to produce?

You can only process (60 min / 6.6 min) = 9.09 labels per hr?

For the sake of all us "participating" manufacturers, I hope that the above scenario is not true!

We want to support the efforts of the state but this increase is overwhelming! Can you please review these numbers.

Commenter #WC-FBH-3, Rick Cavanagh, Terrapin Testing, Inc., Quality Control/Quality Assurance TJC and Associates, Inc., Structural Engineering

WRITTEN COMMENTS FROM COMMENTER #WC-FBH-3

COMMENT: "Section 3060(f)(2)": In opposition to the Factory-Built Housing proposed insignia fee increase, the commenter asserts that the price increase will not allow them to stock insignia. Their manufacturers will be required to pay for all insignia purchases in advance. The two outcomes to this increase will be an increase to the "state's coffers" by a significant amount and further resentment by manufacturers to the costs and delays of doing business in California. They are afraid that their enforcement of the law might become more troublesome because the manufacturers might not comply.

Commenter #WC-FBH-4, Kathy Trout, Quality Control Manager, Duraform Building Panels

WRITTEN COMMENTS FROM COMMENTER #WC-FBH-4

COMMENT: "Section 3060(f)(2)": We are in receipt of the proposed increase to the insignia fees and want to voice our opposition to such an increase. It appears as though the burden to maintain the records is placed directly on the manufacturer and the testing agency. I am baffled as to why these fees need to increase so remarkably and would like the justification of such an increase from your agency. If such an increase is really necessary, I would propose that the entities that are producing these products out of State be charged with the majority of the increase so that the burden that is not borne by the entities that strive to conduct business in California, for California consumers are not unduly penalized for the reporting burdens of the manufacturers that enjoy the cost benefits of producing these products outside of the State of California. It has been a very costly and time-consuming effort to achieve our certifications and it is extremely frustrating to know that our competitors enjoy the opportunity to sell in California without expending the resources necessary to operate in California and provide jobs and revenues to benefit our citizens and coffers.

Commenter #WC-FBH-5, Calvin M. Jepsen, CMJ Engineering, Inc.

WRITTEN COMMENTS FROM COMMENTER #WC-FBH-5

COMMENT: "Section 3060(f)(2)": Building component insignia fee increase from \$.85 to \$5.00 per label, an increase of 570 plus percent. The original concept was to have the same costs for insignia for a modular building as for a panel constructed building for example: A twenty-four foot wide x sixty-foot long building (two (2) modules) the insignia would be \$62.00 x 2 or \$124.00/building. Whereas for a similar panel constructed building with wall, floor and wall panels, the present insignia cost would be 132 x \$5.00 = \$660.00. In addition, a panel manufactured building is less complicated in the manufacturing process since there are generally only 4' x 8' panels involved with most of the electrical,

mechanical and plumbing being field-installed. In-plant monitoring by HCD staff should be less time-consuming. Leave the building component label fee at \$.85 per label or if an increase is needed, it should not exceed an increase of double the present label fee for a total of \$1.70 per label to keep insignia costs in line with the modular buildings.

RESPONSE TO ALL COMMENTS RELATED TO SECTION 3060(f)(2) :

During its 45-day comment period, HCD staff received written comments concerning its proposed amendment to Title 25, Section 3060(f)(2), regarding realignment of its fee for the issuance of factory-built building component insignia. As a result of these comments, the following information is provided:

Background

The Factory-Built Housing program is funded with revenue derived solely from fees collected through regulations are paid into the Mobilehome/Manufactured Home Revolving Fund. Therefore, HCD must establish a fee schedule within its regulations, which will recover the cost of operating the program (Health and Safety Code Section 19982). The proposed amendment to the building component insignia fee (increasing the current rate changed from \$.85 to \$5.00) for each building component insignia issued, is based on HCD's actual costs of providing certain public services for people who purchase factory-built housing. These services include not only the costs of producing the building component insignia itself (printing and mailing costs of 57 cents each), but also those costs associated with: 1) monitoring third-party agencies; (reviewing monthly third-party reports, conducting on-site inspections during installation; and factory monitoring; 2) responding to public complaints; and 3) program administration. The proposed fee increase will adequately fund these statutorily- mandated responsibilities to assure that the public is receiving a safe and quality product in the least costly manner. (Note: This fee has not been increased in 19 years and reflects an overall, annual increase of 22 cents per component insignia. The proposed increase reflects the HCD's current personnel and overhead costs.)

Cost to Regulated Public

Although the fee for the component label will increase the cost of each factory-built component insignia by \$4.15, the resulting increase in overall product cost is between 1 and 5 percent. For example, the least expensive sunroom component manufactured by Buena Vista Sunrooms (a floor to ceiling, all-solid panel wall, up to 96" high) retails for \$80.52. The proposed building component insignia cost increase, if totally passed on to the consumer, will raise the cost of the panel to \$84.67 – a total increase of 5%. The retail cost of Buena Vista Sunrooms' most expensive advertised panel – up to 96" High with 24" Dual-Pane Clear Tempered Glass, 54" High Dual-Pane Clear Tempered Glass Windows, and Variable Height Dual-Pane Clear Tempered Glass – is \$218.44. The \$4.15 increase in cost for this panel represents an increase of approximately one percent (see Buena Vista Sunrooms' website at [http:// www.sunroom.com/pwalls.htm](http://www.sunroom.com/pwalls.htm)).

Custom upper-end sunroom manufacturer "Temo" prices its custom upper-end rooms between \$10,000.00 and \$70,000.00. Consequently, the resulting percentage increase for these sunrooms will be minimal. For example, if the

least expensive room consists of 20 individual panels, the final cost, if passed on to the consumer, would be \$10,083.00 rather than \$10,000.00 – or a .08 percent increase (see Temo Sunrooms website at: http://www.temosunrooms.com/sec3_price.htm and Temo Sunroom Fast Facts at <http://www.temosunrooms.com/PR/elements/TEMO%20SUNROOMS%20FAST%20FACTS.pdf>).

Program Cost Assessment:

During FY 2000 /2001, the revenue generated by the issuance of 27,282 building component insignia equaled \$16,914. The cost of printing the insignia was \$6,275, the cost of issuing the building component insignia was approximately \$420. Therefore, the balance of the program's operating budget was \$10,219 for that fiscal year. Because the costs of operating this program exceed \$100,000 annually, HCD determined that an increase in the fee amount was needed to adequately fund this program.

With the implementation of the proposed fee increase, HCD will better meet its statutory requirements without placing an undue hardship on the regulated public. Although the fee increase will not cover all program costs, the proposed increase will meet minimum program requirements to include monitoring of third-party inspection agencies (Please see Tab G.5.); complaint investigation; building component insignia issuance, etc. For example, there are currently 41 factory-built housing panel manufacturers (Please see Tab G.4.) If HCD were to monitor 100% of these facilities, the net costs would be as follows:

- Monitor each manufacturer by a DR I/DR II one-time annually, at 40 hours each (on-site installation or factory inspection, travel, and report-writing time).
 - Cost of monitoring = \$196.00/1st hour \$ 196.00
 - \$82.00/39 additional hours \$ 3,198.00
 - Total cost of 1 monitoring \$ 3,394.00
 - Total annual cost to monitor 41 manufacturers \$ 139, 154.00

(Note: This does not include the actual travel costs--some of which requires travel out of the State.)

- Review of monthly reports by a DRI/DRII at 1 hour each
 - \$82.00/hr x 1/hr x 6 QAAs \$ 492.00
 - Review costs \$492 x 12 reports per year \$ 5,904.00
- Complaint investigations
 - HCD receives an average of three (3) building component complaints annually.

These complaints may require on-site investigations performed by the DR I/DR II classifications. These types of investigations can take up to one week to complete, beginning with an on-site inspection, discussions with HCD's legal staff administrative review, and final written reports.

**Detailed Response to Comments Relating to Title 25, Section 3060(f)(2)
(Cont'd)**

- Complaint investigations by a DR I/ DR II at 40 hours each
 - Complaint inspection cost = \$196/1st hour (on-site)
\$ 196.00
 - + \$82.00/39 additional hours (inspections, reports, etc.)
\$ 3,198.00
 - Total cost of one complaint inspection \$ 3,394.00
- Total, estimated annual cost of 3 complaints \$ 10,182.00
- Building Component Insignia Printing/ Issuance (2000/2001 costs)
 - Estimated, annual component insignia printing costs
(\$.23 x 27,282) \$ 6,275.00
 - Estimated, annual component insignia issuance costs
(approximately seven (7) requests per month, at \$5.00 per request)
 - \$35.00 per month x 12 months \$ 420.00

Total, estimated, annual program operations costs

- \$139,154.00 + 5,904.00 + 10,182.00 + 6,275.00 + 420.00 \$ 161,935.00

Total, projected, annual revenue (based on 2000/2001 issuance statistics)

- 27,282 insignia x \$5.00 \$ 136,410.00

Based on the above calculations, and its time and motion studies, HCD has determined that the \$5.00-per-insignia issuance fee for component insignia is the minimum amount needed to operate the building components element of its Factory-Built Housing Program, is aligned with the actual cost of providing the insignia, and cause undue hardship to the affected public.

Commenter #WC-FBH-5, Calvin M. Jepsen, CMJ Engineering, Inc.

WRITTEN COMMENTS FROM COMMENTER #WC-FBH-5

COMMENT:

2. Renewal fee increases for Quality Assurance [Approval] and Design Approval Agencies and in particular Quality Insurance [Assurance] Inspectors. All of these fees will nearly double except for the inspector renewal, which will increase from \$40.00 to \$253.00 an increase of 632%. The increase for the inspector is the main concern since this is a renewal only and not an original certification. Any review should be minimal and not require nearly three (3) hours (based upon a \$92.00/hr. fee). The fee for Quality Assurance Inspector Renewal should remain at \$40.00/hr. or at most be raised to \$92.00 maximum.

RESPONSE:

2. The commenter asserts that the fee relates to a renewal, and not an original certificate and should therefore have a minimal cost as compared to an original certification process. Comparatively, the proposed renewal fee is approximately one-third of the cost of the original certification and is based on the actual time it takes to process documentation. The proposed fee is based on information obtained through actual time and motion studies for all aspects of the certification renewal process.

Please see supporting documentation contained at Tab Q of this rulemaking file.

The commenter is incorrect in the assertion that the review should not require three hours. The time needed to complete this function is based on information obtained through actual time and motion studies of the review time as well as processing the application and the response. Documentation supporting HCD's proposal is contained at Tab Q of this rulemaking file.

The commenter asserts the fee should remain at \$40.00. However, there is no reference to a \$40.00 fee contained in this section. HCD assumes that the commenter is referring to the \$40.00 fee contained in Title 25, California Code of Regulations, Section 4884(f). Please see HCD's response to "WC-MH-1," below, regarding section 4884(f).

The commenter also asserts that there is a \$92.00 per hour fee. However, there is no reference to a \$92.00 fee contained in this section. HCD assumes the commenter is referring to the proposed fee for "Plan Checking" contained in Section 3060(a)(3)(A). This fee amount is based on the time and classification associated with "Plan Checking" and has no relationship to the certification process.

Commenter #WC-MH-1, Calvin M. Jepsen, CMJ Engineering, Inc.

WRITTEN COMMENTS FROM COMMENTER #WC-MH-1

COMMENT: "Sections 4884(d), 4884(e), and 4884(f)": Manufactured Homes, Mobilehomes, Multi-Unit Manufactured Housing, Commercial Modulares and Special Purpose Commercial Modulares. All of these fees will nearly double except for the Inspector Renewal, which will increase from \$40.00 to \$267.00 an increase of 667%. This increase is the main concern since this is a renewal only and not an original certification. Any review time should be minimal to review the application. The fee for Quality Assurance Inspector Renewal should remain at \$40.00/hr. or at the most be raised to \$92.00 maximum.

RESPONSE: The proposed application for inspector renewal was based on information gathered during time and motion studies for each of the actual activities and cost associated with the Manufactured Housing Program.

Consequently, the proposed fee amount will not be amended in response to this comment.

Please see supporting documentation contained at Tab Q of this rulemaking file.

Commenter #WC-OL-1, Bob West, CMHI

WRITTEN COMMENTS FROM COMMENTER #WC-OL-1

COMMENT:

1. "Section 5040(a)(1) and 5040(b)(1)": We believe that the cost of the original manufacturers' license and the original dealers license should be the same, as they have been. We suggest that you increase the manufacturers' license to \$593.00.

RESPONSE: Manufacturer, distributor, and dealer original license application fees were reviewed in response to this comment and have been realigned at the same proposed rate of \$582. An average of five time studies was calculated for each civil service classification involved in this process to determine the time charges set for each telephone and e-mail function by classification. HCD determined that telephone and e-mail processing for a PTII, SPTII, DRII, CSAI, and CSAll were the same type of processes for issuing each type of license and therefore should have identical time charges. These sections were amended for consistency in response to this comment.

Please see supporting documentation contained at Tab Q. of this rulemaking file.

2. "Section 5040(h)(1) and 5040(h)(2)": The comparative costs for manufacturer license lists and statewide dealer lists do not make sense. There are only a handful of licensed manufacturers and a tremendous number of licensed dealers. The increase of the manufacturers list does not seem justified.

RESPONSE: The proposed application fees for manufacturer and dealer statewide licensee lists were based on information gathered during time and motion studies for each of the actual activities and cost associated with the Occupational Licensing Program. Consequently, the proposed fee amount will not be amended in response to this comment.

Please see supporting documentation contained at Tab Q of this rulemaking file.

3. "Section 5360(a)": A new application for a continued education course approval seems a little to high? It is more than triple of what it was.

RESPONSE: Although the commenter refers to a "Continued Education Course Approval" in this comment, his reference to tripling the current fee actually refers to an "Application for Preliminary Education Course Approval." (Note: This discrepancy was resolved by staff through a telephone conversation with the commenter to bring clarity to the comment.) Although, this application is currently processed at a CSAI level due to staff shortages, under normal circumstances,

this function would be processed at a less costly DRII level. Consequently, the audit was corrected to show application processing under the DRII classification. Further analysis determined that eight (8) hours of DRII application processing time was the exception and that approximately six (6) hours reflected the average processing time to complete this type of application. It was also determined that the CSAII level review was more appropriately assigned to the CSAI level.

Please see supporting documentation contained at Tab Q. of this rulemaking file.

4. "Section 5360(b)": Application for continuing education approval also seems too high. There were none given in 2001/2002. I expect that there will not be much revenue under the proposed fee.

RESPONSE: The proposed continuing education approval fee is based on information gathered during time and motion studies for each of the actual activities and cost associated with the Occupational Licensing Program. Consequently, the proposed fee amount will not be amended in response to this comment.

Please see supporting documentation contained at Tab Q of this rulemaking file.

5. "Section 5360(c)": An application for continuing education instructor approval seems high.

RESPONSE: The application for instructor approval is currently processed at a CSAI level due to staff shortages. However, under normal circumstances, this function would be processed at a less costly DRII level. Consequently, the audit results were corrected to show application processing under the DRII classification. Further analysis determined that four (4) hours of DRII application processing time was the exception and that three (3) hours more appropriately reflected the processing time needed to complete this type of application. It was also determined that the CSAII level review was more appropriately assigned to the CSAI level.

Please see supporting documentation contained at Tab Q. of this rulemaking file.

6. "Section 5360(e)": An application for an equivalency approval seems high.

RESPONSE: The application for equivalency approval is currently processed at a CSAI level due to staff shortages. However, under normal circumstances, this function would be processed at a less costly DRII level. Consequently, the audit results were amended to show application processing under the DRII classification. It was also determined that the CSAII level review was more appropriately assigned to the CSAI level. A typographical error was corrected to replace the phrase "the first four (4) hours" with the phrase "the first two (2) hours."

Please see supporting documentation contained at Tab Q. of this rulemaking file.

7. "Section 5360(f)": What is an application for an exemption? The new fee is more than 6 times the old fee.

RESPONSE: Title 25, California Code of Regulations, Section 5354 describes the exemption purpose and requirements. The application for exemption is for those licensees seeking an exemption from the continuing education requirements. This application is currently processed by a CSAI due to staff shortages. Under normal circumstances, this function would be processed at a less costly DRII level. Consequently, the audit results were amended to show application processing under the DRII classification. It was also determined that the CSAI level review was more appropriately assigned to the CSAI level.

Please see supporting documentation contained at Tab Q. of this rulemaking file.

8. "Section 5360(k)": Certification of course presentation. That seems like an outrageous increase. Is this simply an easy way to get revenue since so many have to go to class. It doesn't look fair.

We feel that all the others are ok.

RESPONSE: The proposed fee amount for the certification of course presentation applications is based on information gathered during time and motion studies for each of the actual activities and cost associated with the Occupational Licensing Program. Consequently, the proposed fee amount will not be amended in response to this comment.

Please see supporting documentation contained at Tab Q of this rulemaking file.

PLEASE NOTE: The e-mail cover letter from Bob West dated June 24, 2005 which was inadvertently omitted from the file submitted to OAL on November 14 , 2005 is attached and incorporated by reference into this Addendum in order to verify the comments were from Mr. West.

Commenter #WC-OL-3, Vicky G. Derieg, California Manufactured Housing Education

WRITTEN COMMENTS FROM COMMENTER #WC-OL-3

COMMENT:

1. "Section 5040(a)(1) and 5040(b)(1)": I believe it is the same amount of work to issue a manufactured or a dealer license. Since they were the same fee before I think they should still remain the same.

RESPONSE: Manufacturer, distributor, and dealer original license application fees were reviewed in response to this comment and have been realigned at the same proposed rate of \$582. An average of five time studies was calculated for

each civil service classification involved in this process to determine the time charges set for each telephone and e-mail function by classification. HCD determined that telephone and e-mail processing for a PTII, SPTII, DRII, CSAI,

and CSAII were the same type of processes for issuing each type of license and therefore should have identical time charges. These sections were amended for consistency in response to this comment.

Please see supporting documentation contained at Tab Q of this rulemaking file.

2. "Section 5040(h)(1) and 5040(h)(2)": Since there are so few manufacturers, why is the cost for the manufacturer's list now the same as the cost for the dealer list?

RESPONSE: The proposed application fees for manufacturer and dealer statewide licensee lists were based on information gathered during time and motion studies for each of the actual activities and cost associated with the Occupational Licensing Program. Consequently, the proposed fee amount will not be amended in response to this comment.

Please see supporting documentation contained at Tab Q of this rulemaking file.

3. "Section 5360(c)": I do not mind competition, but HCD has proposed an extremely high fee for application for instructor approval. There cannot be more work involved in issuing an instructor approval than in issuing a manufacturer or dealer's license. There cannot be more work involved in issuing an instructor approval than in issuing a manufacturer or dealer's license.

RESPONSE: The application for instructor approval is currently processed at a CSAI level due to staff shortages. However, under normal circumstances, this function would be processed at a less costly DRII level. Consequently, the audit results were corrected to show application processing under the DRII classification. Further analysis determined that four (4) hours of DRII application processing time was the exception and that three (3) hours more appropriately reflected the processing time needed to complete this type of application. It was also determined that the CSAII level review was more appropriately assigned to the CSAI level.

Please see supporting documentation contained at Tab Q. of this rulemaking file.

4. "Section 5360(f)": If an exemption is granted, there had to be a serious health or military reason. They do have to complete all requirements within 90 days. The new fee seems extremely high, as it is more than six times the old fee.

RESPONSE: Title 25, California Code of Regulations, Section 5354 describes the exemption purpose and requirements. The application for exemption is for

those licensees seeking an exemption from the continuing education requirements. This application is currently processed by a CSAI due to staff shortages. Under normal circumstances, this function would be processed at a less costly DRII level. Consequently, the audit results were amended to show application processing under the DRII classification. It was also determined that the CSAII level review was more appropriately assigned to the CSAI level.

Please see supporting documentation contained at Tab Q. of this rulemaking file.

5. "Section 5360(k)": The certification of course presentation is proposed to increase over seven times as much as the current fee. Especially when you note that over 2,000 of those were filed in 2001/02 alone that is a lot of increased revenue. While I realize that some increase may be necessary, this seems like a tremendous increase.

RESPONSE: The proposed fee amount for the certification of course presentation applications is based on information gathered during time and motion studies for each of the actual activities and cost associated with the Occupational Licensing Program. Consequently, the proposed fee amount will not be amended in response to this comment.

Please see supporting documentation contained at Tab Q of this rulemaking file.

**NON-SUBSTANTIVE CHANGES TO PROPOSED REGULATIONS MADE AFTER THE 45-DAY
COMMENT PERIOD**

(Note: The changes are referenced by page number of the regulations that were to be changed)

Page 1: Legend: A non-substantive correction was made to remove the phrase "**Notes to reader:** *The requirements of each chapter are independent of the other."

Mobilehome and Special Occupancy Parks Program

Page 7: Section 1020.4: A non-substantive correction was made to remove the phrase "or alteration" to be consistent with the current California Code of Regulations (CCR).

Page 9: Section 1020.7: Non-substantive corrections were made to: 1) remove the phrase "hours and", and 2) add the word "thousand" to be consistent with the current CCR.

Page 13: Section 1020.9: Non-substantive corrections were made to: 1) add the phrase "one and one-half", 2) add the word "three", 3) add the word "a", 4) change the word "inch" to "inches" 5) add the phrase "and the plates shall be", 6) add the word "inch", 7) add the word "inches" after "(3)", 8) add the word "inches" after ".020", and 9) remove the period "." before the word "One" to match the current CCR.

Page 13a: Section 1020.9: A non-substantive addition was made to include the phrase "NOTE: This space has been left intentionally blank. The text of the regulations begins again on page 14" to provide an explanation for the blank space.

Page 15: Section 1020.9: A non-substantive correction was made to add the word "a" to match the current CCR.

Page 16: Section 1025: Non-substantive corrections were made to: 1) add the word "thirty", 2) add an open and closed parenthesis "(" around the number "30", 3) add the word "Where" and then strike it out, and add "(1)" to stricken out language to be consistent with the current CCR.

Page 18: Section 2004.5: Non-substantive corrections were made to: 1) correct the Authority and Reference cited to match the current CCR, and 2) add sections "18153", "18866", 18862.17, and "18866.5" to the Authority and Reference citations.

Page 20: Section 2017: Non-substantive corrections were made to: 1) remove stricken out lower case "f" from the word "Fee" in the title, and 2) remove the underline from capitalized "F" to match the current CCR.

Page 21: Section 2020.4: Non-substantive corrections were made to: 1) remove a stricken out "s" from the word "Approvals", 2) remove a hyphen "-" from the phrase "thirty dollars", and 3) remove the phrase "or alteration" from stricken-out language to match the current CCR.

Page 22: Section 2020.7: A non-substantive correction was made to remove the underline from "g" to match the current CCR.

Page 23: Section 2020.7: Non-substantive corrections were made to: 1) add the phrase "foundation systems", 2) add the phrase "buildings or", 3) strike-out the dollar amount of "\$100,000", 4) remove the phrase "hours and", and 5) add the phrase "thousand or" to match the current CCR.

Page 27: Section 2020.9: Non-substantive corrections were made to: 1) add the phrase "and the plates shall be", 2) change the word "inch," to "inches" with no comma after inches, 3) add the word "inch" after "0.015", and 4) add the word "inch" after ".001" to match the current CCR.

Factory-Built Housing Program

Page 31: Section 3060: A non-substantive correction was made to remove the following phrase which was inadvertently listed twice "Chapter 3. Factory-Built Housing and Mobile Homes, "Subchapter 1. Factory-Built Housing" to be consistent with the CCR.

Page 32: Section 3060: Non-substantive corrections were made to remove the stricken out "f" and remove the underlined "F" in the caption for (h) in order to be consistent with the CCR.

Occupational Licensing Program

Page 37: Section 5040: Non-substantive corrections were made to the caption to: 1) add the word "Sales", 2) remove a comma "," after the word "Licensing", 3) remove the underline from "Article 3. License and 90-day Certificate and Decal Applications, Changes and Renewals" with the exception of the words "and" and "certificate" to stay underlined to match the current CCR.

Page 38: Section 5040: Non-substantive corrections were made to: 1) change stricken-out "50¢" to stricken-out "50>", 2) change stricken-out "25¢" to stricken-out "25>", and 3) change stricken-out "5¢" to stricken out "5>" to be consistent with the current CCR.

Page 39: Section 5360: Non-substantive corrections were made to the caption to: 1) add the word "Sales", 2) add a comma "," after "Sales", 3) remove the comma "," after "Licensing", and 4) underline the phrase "additional hour" that is being added to be consistent with the current CCR.

MISCELLANEOUS ADDITIONS, DELETIONS OR CORRECTIONS TO THE RULEMAKING RECORD

1. Section 5040(g): "Full Facial Photo" has been withdrawn.
2. The original Notice of Proposed Rulemaking incorrectly identified Sections 1105 and 2105 of Title 25 as being amended in this rulemaking. These sections are not a part of this rulemaking.
3. The Initial Statement of Reasons lists a document entitled "Hourly Cost basis for Civil Service classifications used by HCD to implement programs for the Division of Codes and Standards (Rev. Oct 2002)". The Table of Contents refers to this same document as "Tab. P. "Chart of Personnel Costs by Classification." The document itself is entitled "Cost chart for Reg Writing used for all programs (Ref. Oct 2002). HCD would like to clarify that all of the above referenced titles are the same document.
4. The Initial Statement of Reasons lists a document entitled "Functional Timed Audits." The Table of Contents lists this same document as "Tab Q. "Activity Audits and Sample Activity Flowcharts." The documents contain the title "Proposed Realignment Audit Results". HCD would like to clarify that all of the above referenced titles are the same document.
5. Page 13 of the Initial Statement of Reasons identified "HCD's Division of Codes and Standards Workload Statistics (Weekly Reports for June 23-30, 2003)" as a document relied upon. This document was in the rulemaking file during the entire rulemaking period and was and continues to be available to the public. It was inadvertently omitted from the copy of the file submitted to OAL on November 14, 2005. It is now properly listed as "Tab. R" on the Table of Contents and is found in Volume 2 of the Rulemaking Record.

6. Commenter's raised issues about the fees in subsections 5040(a)(1) and (b)(1), 5360(a), (c), (e) and (f)(5) . In order to respond to those comments HCD reviewed the audit data in G.3. and corrected the math. Those corrected audits including the projected revenue are attached to and incorporated solely by reference into this Addendum in order to respond to the comments and supersede the audits in G.3.